

HCB FINANCIAL CORP.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

ARTICLE I - PURPOSE

Effective October 21, 2015, HCB Financial Corp. has adopted the HCB Financial Corp. Dividend Reinvestment and Stock Purchase Plan (the "Plan") to provide a simple, systematic and convenient method of acquiring shares of Common Stock of the Corporation, without payment of any brokerage commission (excluding open market purchases), service charge or other expenses. Participants can also conduct recurring or periodic investments by automatic bank debit or by check.

The shares of Common Stock acquired under the Plan will be purchased from the Corporation or on the open market. The net proceeds received from the purchase of Common Stock from the Corporation will be added to the working capital of the Corporation and will be used for general corporate purposes.

ARTICLE II - DEFINITIONS AND CONSTRUCTION

2.1 Definitions. The following words and phrases shall, when used herein, have the following respective meanings unless the context clearly indicates otherwise:

(a) Account Name: means the name of the Participant's account under the Plan, which shall be the same as the name(s) in which certificates of the Participant were registered at the time he or she entered the Plan.

(b) Authorization Card: means the enrollment form used by a Shareholder to enroll in the Plan.

(c) Common Stock: means the common stock of the Corporation.

(d) Corporation: means HCB Financial Corp., a registered bank holding company organized and existing under the laws of the State of Michigan, or its successor(s).

(e) Effective Date: means October 21, 2015, the date on which the provisions of this Plan became effective.

(f) Investment Date: means the dividend payment date.

(g) Participant: means any Shareholder who elects to participate in the Plan.

(h) Plan: means the HCB Financial Corp. Dividend Reinvestment and Stock Purchase Plan.

(i) Plan Account: means the account maintained for a Participant to record the crediting of cash dividends, optional cash investments, shares of Common Stock, and adjustments relating thereto.

(j) Plan Administrator: means the Corporation and its agent, Continental Stock Transfer and Trust ("CST") chosen by the Corporation to administer the Plan.

(k) Shareholder: means any registered holder of the Corporation's Common Stock. Beneficial owners of Common Stock whose shares are registered in street or nominee names are **not** considered Shareholders for purposes of the Plan unless they become registered holders by having their shares reissued in their names on the books of the Corporation.

(i) Stock Purchase Form: means the form used by a Participant to purchase shares of Common Stock pursuant to the optional cash investment feature of the Plan.

ARTICLE III - PARTICIPATION BY DIVIDEND REINVESTMENT

3.1 Enrollment. Any Shareholder may enroll in the Plan's Dividend Reinvestment feature at any time on or after the Effective Date by completing an Authorization Card and returning it to the Plan Administrator. An Authorization Card shall be included in the Offering Memorandum to the Shareholder. Additional Authorization Cards may be obtained by writing the Plan Administrator.

3.2 Commencement. Reinvestment of dividends in Common Stock shall commence with the next dividend payment after receipt of the Authorization Card by the Plan Administrator, provided it is received by the Plan Administrator on or before the record date for that dividend; otherwise, reinvestment of dividends shall be delayed until the next Investment Date and held in an account as designated by the Plan Administrator, and such funds will not accrue interest.

3.3 Investment Options. The Authorization Card shall provide for the purchase of additional shares of Common Stock through the following investment options:

(a) Full Dividend Reinvestment. Full dividend reinvestment directs the Corporation to pay to the Plan Administrator all of the Participant's cash dividends on all of the shares of Common Stock then or subsequently registered in the Participant's name; or

(b) Partial Dividend Reinvestment. Partial dividend reinvestment directs the Corporation to pay to the Plan Administrator the Participant's cash dividends, in an amount not less than ten percent (10%) of each cash dividend paid on shares of Common Stock, as designated in the appropriate space of the Authorization Card (the "Partial Election Percentage") and permits the Participant to continue to receive cash dividends on the balance of the dividends on shares of Common Stock registered in the Participant's name.

In the event a Participant elects Partial Dividend Reinvestment, the Plan Administrator shall invest the Partial Election Percentage of the dividend in the Plan in the name of the Participant and pay the remaining portion of the dividend (100% minus the Partial Election Percentage) in cash to the Participant. No new stock certificates shall be issued to the Participant until such participant withdraws from the Plan. In all cases, cash dividends on shares of Common Stock credited to a Participant's Plan Account shall be reinvested in accordance with the Plan. A Partial Dividend Reinvestment will be processed only on shares of Common Stock held in certificated or Direct Registration (DRS) form.

3.4 Dividend Reinvestment. On each Investment Date a Participant's full or partial cash dividend shall be remitted by the Corporation to the Plan Administrator. The Plan Administrator shall reinvest that dividend, as well as the full cash dividend on shares of Common Stock credited to the Participant's Plan Account, in shares of Common Stock purchased directly from the Corporation or on the open market, and shall credit whole and fractional shares to the Participant's Plan Account (computed to 3 decimal places). A fractional share of Common Stock shall earn a proportionate share of future dividends. Such purchases shall be made by the Plan Administrator promptly (no later than within 30 days of the receipt), except where curtailment or suspension of purchases is necessary to comply with applicable provisions of federal or state laws to the extent that the Plan exceeds the authorized amount of issuances.

3.5 Amendment of Investment Option. A Participant may amend his or her investment option at any time by submitting a new Authorization Card to the Plan Administrator. Any amendment to a Participant's investment option shall be effective for the next Investment Date provided that it is received by the Plan Administrator on or before the record date for that dividend payment.

3.6 Withdrawal of Dividend Reinvestment Enrollment. A Participant may withdraw from the Plan's Dividend Reinvestment feature at any time by giving written notice to the Plan Administrator. If the request to withdraw is received by the Plan Administrator at least three (3) business days prior to a dividend payment date, that dividend will be paid in cash. If the request to withdraw is received less than three (3) business days prior to a dividend payment date, that dividend will be reinvested; however, all subsequent dividends will be paid in cash. A request to withdraw shall constitute a request by the Participant that the Corporation distribute to the Participant his or her Plan Account. As soon as practicable following receipt of such request to withdraw, the Plan Administrator shall send the Participant at no charge, a certificate in the Participant's name, for the whole shares of Common Stock in the Participant's Plan Account and a cash payment shall be made for any fraction of a share.

3.7 Disposition of all Shares Held Outside of the Plan. If a Participant disposes of all shares of Common Stock registered in the Participant's name, the Plan Administrator shall continue to reinvest the dividends on the shares credited to the Participant's Plan Account until otherwise notified.

3.8 Accrued Shares. A Participant in the Plan's Dividend Reinvestment feature may deposit certificates or Direct Registration Shares for Common Stock now or hereafter registered in the Participant's name for credit in his or her Plan Account as accrued shares under the Plan. Such certificates or Direct Registration Shares shall be transferred to the Plan Administrator's

nominee account for the Participant. This service shall be provided at no charge to the Participant.

ARTICLE IV - PARTICIPATION BY OPTIONAL CASH INVESTMENT

4.1 Enrollment. Any Shareholder may enroll in the Plan's optional cash investment feature at any time on or after the Effective Date by completing either an Authorization Card or a Stock Purchase Form and returning it to the Plan Administrator. Authorization Cards and Stock Purchase Forms may be obtained by writing the Plan Administrator.

4.2 Investment Date. Optional cash investments will be applied by the Plan Administrator to the purchase of shares of Common Stock, if timely received, on the next Investment Date. An optional cash investment is timely received if payment is received by the Plan Administrator, with a properly completed Authorization Form or Stock Purchase Form, at least one (1) business day prior to that Investment Date if payment is by check or on or before the record date if payment is made by Automatic Bank Withdrawal.

4.3 Investment Options. The Authorization Card or Stock Purchase Form shall provide for the purchase of additional shares of Common Stock through the following investment options:

(a) Payment by Check. A Participant may make an optional cash investment by enclosing a check for the amount of the investment with an Authorization Form or Stock Purchase Form and returning it to the Plan Administrator prior to the Investment Date. The check must be made payable to the Corporation and drawn on a United States bank account. An investment by check must be for not less than fifty dollars (\$50) nor more than three thousand dollars (\$3,000) per purchase. Any optional cash payments received on or after the Investment Date, or more than thirty (30) days prior to the next Investment Date, will be returned to that Participant. Also, the Plan Administrator will return any cash payments made by Participant and for which a request to return that payment is received by the Plan Administrator at least two (2) business days prior to the Investment Date.

(b) Automatic Bank Withdrawal. A Participant may make optional cash investment(s) by completing the section of the Authorization Card or a Stock Purchase Form titled "Automatic Bank Withdrawal" with accurate account and routing information for the Participant's United States bank account, including an account with Hastings City Bank. Such form shall indicate whether the investment shall be a one-time automatic bank withdrawal or repeating periodic automatic bank withdrawals, and the amount to be withdrawn. If repeating periodic automatic bank withdrawals are selected, the same amount must be withdrawn each period. An investment by automatic bank withdrawal must be for not less than fifty dollars (\$50) nor more than three thousand dollars (\$3,000), per purchase.

4.4 Purchase of Common Stock. The Plan Administrator will invest amounts invested pursuant to this Article IV by purchasing shares of Common Stock directly from the Corporation or on the open market, and shall credit whole and fractional shares to the Participant's Plan Account (computed to 3 decimal places). A fractional share of Common Stock shall earn a

proportionate share of future dividends. Such purchases shall be made no later than the next Investment Date, except where curtailment or suspension of purchases is necessary to comply with applicable provisions of federal or state laws to the extent the Plan exceeds the authorized amount of issuances.

4.5 Amendment of Investment Options. A Participant may amend his or her investment options, or make a new investment election pursuant to this Article IV, at any time, by submitting a new Authorization Card or Stock Purchase Form to the Plan Administrator at the address noted. Any amendment to a Participant's investment option received by the Plan Administrator prior to the record date for the immediately following dividend payment shall be effective for that Investment Date. Any amendment to a Participant's investment option received by the Plan Administrator on or after the record date for the immediately following dividend payment shall be effective for the following Investment Date.

4.6 Withdrawal of Enrollment. A Participant may withdraw from the Plan's optional investment option at any time by giving written notice to the Plan Administrator. If the request to withdraw is received by the Plan Administrator prior to the record date for the immediately following dividend payment, no automatic bank withdrawal will be processed on that Investment Date. If the request is received on or after the record date for the immediately following dividend payment, the withdrawal request will be processed for the following Investment Date.

A request to withdraw shall not constitute a request by the Participant that the Corporation distribute to the Participant his or her Plan Account. A Participant who has withdrawn from Plan participation may make a written request to the Plan Administrator for a distribution of his or her Plan Account. As soon as practicable following receipt of such request, the Plan Administrator shall send the Participant at no charge, a certificate in the Participant's name, for the whole shares of Common Stock in the Participant's Plan Account and a cash payment shall be made for any fraction of a share.

4.7 Automatic Dividend Reinvestment. All shares purchased for the Participant pursuant to the Plan's optional investment feature shall be credited to the Participant's Plan Account in book entry form and will automatically participate in, and be governed by, the terms and conditions, of the Plan's Dividend Reinvestment feature unless otherwise requested by Participant (as set forth in Article III above).

ARTICLE V - PLAN OPERATION

5.1 Per-Share Price of Common Stock. The per-share price of shares of Common Stock purchased under the Plan shall be determined as follows:

(a) if the Common Stock is purchased from the Corporation, such value determined by a valuation conducted by an independent valuation expert conducted as of the end of the immediately preceding calendar quarter; or

(b) if the Common Stock is purchased on the open market, such value as the Plan Administrator, in good faith, shall negotiate with the potential seller. In making the determination to purchase, the Corporation will consider such factors as the Corporation in its sole and absolute discretion deems relevant.

5.2 Plan Limit. Shares purchased under the Plan will be authorized but unissued shares of Common Stock or shares of Common Stock purchased by the Plan Administrator on the open market. The Corporation is authorized to sell up to 40,000 shares of Common Stock in any calendar year and \$1,000,000 of Common Stock in any 12 consecutive month period under the Plan. In the event that the Common Stock purchased by Shareholders under the Plan would exceed \$1,000,000 of Common Stock in a 12 month period, no Shareholder will be allowed to purchase any Common Stock until the aggregate amount in the trailing 12 month period is less than \$1,000,000.

5.3 Commingling of Monies. In making purchases for Participant's Plan Accounts, the Plan Administrator may commingle the Participant's dividends and optional cash investments with those of others participating in the Plan. It is understood that any monies held under the Plan will not bear interest.

5.4 Issuance of Stock Certificates:

(a) Registration of Certificates. Certificates for shares of Common Stock purchased for a Participant shall be registered in the name of the Plan Administrator's nominee and, except as provided in (b) below, shall not be issued in the Participant's name while the Participant is enrolled in the Plan.

(b) Reissuance in Participant's Name. A Participant may elect to receive a distribution of whole shares of Common Stock under the Plan only if he or she withdraws from the Plan. Certificates for fractional shares of Common Stock shall not be issued under any circumstances.

5.5 Costs to Participants. The Participant shall incur no costs for purchases of Common Stock by the Plan Administrator other than the purchase price and any commissions attributable to the open market purchases of shares of Common Stock. Service charges, such as administration fees if the Plan should be administered by someone other than the Corporation, are the responsibility of the Corporation.

5.6 Reports to Participants:

(a) Purchase Reports. On a quarterly basis, each Participant shall receive a statement of his or her Plan Account showing the amount invested for that quarterly period, the purchase price and the number of shares of Common Stock purchased in each transaction, the total shares accumulated, and other relevant information for the year to date.

(b) Other Reports. Each Participant shall receive copies of the same communications sent to all other holders of shares of Common Stock, and (if necessary) Internal Revenue Service information (on Form 1099) for reporting dividend income received.

(c) Address. All notices, statements, and reports from the Plan Administrator to a Participant shall be addressed to the Participant at his or her last address of record with the Plan Administrator. The Participant agrees to notify the Plan Administrator promptly in writing of any change of address.

5.7 Termination of Participant's Plan Account. The Corporation may terminate a Participant's Plan Account at any time in its discretion by giving written notice to the Participant. As soon as practicable following termination, the Plan Administrator shall send the Participant a certificate in the Participant's name, for the whole shares of Common Stock in the Participant's Plan Account and a cash payment shall be made for any fraction of a share.

5.8 Termination of the Plan. In the event the Corporation should terminate the Plan, as soon as practicable following termination, the Plan Administrator shall send each Participant a certificate in the Participant's name, for the whole shares of Common Stock in the Participant's Plan Account and a cash payment shall be made for any fraction of a share.

5.9 Price of any Fraction of a Share. Whenever, pursuant to the terms of the Plan, a Participant is to receive cash for a fraction of a share of Common Stock, said cash payment shall be a proportionate fraction of the per-share price of a share of Common Stock that would be determined pursuant to Section 5.1 if the share of Common Stock were, instead, being purchased from the Corporation under the Plan.

ARTICLE VI - ADMINISTRATION

6.1 Appointment of Plan Administrator. The Plan shall be administered by the Plan Administrator which shall be the Corporation and its agents, chosen by the Corporation to administer the Plan.

6.2 Duties of Plan Administrator. The Plan Administrator shall administer the Plan, keep records, send statements of account activity and other required reports to Participants, and perform any other duties related to the Plan. Shares of Common Stock purchased under the Plan and held by the Plan Administrator shall be registered in its name or the name of its agent designated for that purpose, as agent for each Participant in the Plan.

6.3 Resignation of Plan Administrator. Should the Plan Administrator cease to act as agent for the Participants, the Corporation shall make other arrangements as it deems appropriate for the administration of the Plan.

6.4 Liability of the Corporation and the Plan Administrator. Neither the Corporation, the Plan Administrator, nor any agent employed by the Plan Administrator shall be liable in administering the Plan or any act done in good faith, or for any good faith omission to act, including, without limitation, any claims of liability:

- (a) arising out of failure to terminate the Participant's Plan Account upon such Participant's death prior to receipt of notice in writing of such death;
- (b) with respect to the prices at which shares of Common Stock are purchased for the Participant's Plan Account or the time when such purchases are made (provided, however that nothing herein shall be deemed to constitute a waiver of any rights that a Participant might have under the Securities Exchange Act of 1934 or applicable federal and state securities laws); and
- (c) for any fluctuations in the market price after purchase of shares of Common Stock.

ARTICLE VII - MISCELLANEOUS

7.1 Non-Guarantee of Profit. Nothing contained herein shall be construed as an assurance by the Corporation of a profit to the Participant or protection against loss on shares of the Common Stock purchased under the Plan.

7.2 Other Services. The Plan Administrator may charge the Participant for services performed at the request of a Participant and not provided for herein.

7.3 Pledging of Common Stock. Shares of Common Stock credited to the Participant's Plan Account under the Plan may not be pledged or otherwise used as collateral. A Participant who wishes to pledge such shares must withdraw from the Plan.

7.4 Voting of Shares. For each meeting of Shareholders, a Participant shall receive proxy material that will enable the Participant to vote both the shares of Common Stock registered in the Participant's name directly and/or whole shares of Common Stock credited to the Participant's Plan Account. Participants will not be permitted to vote fractional shares of Common Stock.

7.5 Income Tax. It is understood by the Participant that the reinvestment of dividends does not relieve the Participant of any income tax which may be payable. The Corporation shall not withhold taxes from dividends, unless the Internal Revenue Service directs the Corporation to withhold taxes on any dividend payment to specified Participants who under report dividend income. In such a situation, the amount withheld shall not be reinvested under the Plan.

7.6 Stock Dividends and Related Matters. Stock dividends in the form of Common Stock or stock splits distributed by the Corporation on shares of Common Stock held by the Plan Administrator for a Participant shall be credited to the Participant's Plan Account. Certificates for such stock dividends and stock splits distributed on shares of Common Stock not participating in the Plan and registered in the name of the Participant shall be mailed directly to the Participant. In the event of a subscription rights offering or a dividend in the form of a stock other than Common Stock, such rights or other stock shall be mailed directly to a Participant in the Plan in the same manner as to holders of Common Stock not participating in the Plan. The Corporation reserves the right to curtail or suspend transaction processing for any stock dividend, stock split or related corporate action.

7.7 Suspension, Modification, or Termination of the Plan. Notwithstanding anything herein to the contrary, the Corporation reserves the right to interpret and regulate the Plan as it deems desirable or necessary. The Corporation reserves the right to suspend, modify or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice the interests of Participants. Notice of any such suspension, modification, or termination shall be sent to all Participants.

7.8 Governing Law. The terms and conditions of this Plan, the Authorization Card and the Stock Purchase Forms signed by the Participant (which are each deemed a part of this Plan), and the Plan's operation shall be governed by and construed in accordance with the laws of the state of Michigan.